

SUPPLEMENT NO. 1

to

Equipment Lease Agreement dated as of April 24, 1974

between

American Fletcher Leasing Corporation (Lessor)

and

Green Bay and Western Railroad Company (Lessee)

Lessee and Lessor have entered into the Equipment Lease Agreement identified above (hereinafter called the Lease) pursuant to which Lessor has agreed to lease unto Lessee, and Lessee has agreed to lease from Lessor, subject to the terms and conditions of the Lease, the Units of property described in the Supplements thereto.

NOW, THEREFORE, Lessor and Lessee, by entering into this Supplement to the Lease, hereby confirm as follows:

1. Units. The Units described in Exhibit A hereto (hereinafter called the Units) have been delivered and leased by Lessor to Lessee, and have been accepted by Lessee, pursuant to the terms of the Lease.

2. Lease Term.

(a) The date of commencement of the term of lease with respect to the Units is July 25, 1974.

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INTERSTATE COMMERCE COMMISSION

(b) The date of termination of such term, subject to the provisions of Sections 3.5 and 4.2 of the Lease, is December 31, 1984.

3. Rental Payments.

3.1 Base Quarterly Rent. Lessee covenants and agrees to pay to the Lessor (i) two (2) interim rent payments, payable on September 30, 1974 and December 31, 1974, and (ii) as rental for each Unit hereunder forty (40) consecutive quarter-annual payments, each of which shall be payable on December 31, March 31, June 30 and September 31 in each year, commencing March 31, 1974, provided, however, that if any of the payment dates referred to above is not a business day, the payment shall be payable on the next succeeding business day. The interim rent payment shall be in an amount equal to \$ 71.05 for each day elapsed from and including the date all Units hereunder are delivered to and accepted by the Lessee to and including December 31, 1974. The first ten (10) quarter-annual payments commencing on March 31, 1975, for all Units hereunder shall be in an amount equal to \$ 6,389.42. The next twenty (20) quarter-annual payments commencing on September 30, 1977, for all Units hereunder shall each be in an amount equal to \$ 4,687.54. The last ten (10) quarter-annual payments commencing on September 30, 1982, for all Units hereunder shall each be in an amount equal to \$ 1,705.73.

3.2 Additional Rent.

(a) Lessee agrees that in the event Lessor shall not be entitled to use an accelerated method of depreciation with respect to all of the Units for Federal income tax purposes, which among other requirements shall include being the first user thereof (as that term is used in Section 167(c) of the Internal Revenue Code of 1954), the rental each month for each Unit as to which Lessor shall not be entitled to use such method shall be increased, as provided in subsection 1.3.2(a) of the Lease, and, in addition, Lessee shall pay to Lessor interest on the additional rental as provided in subsection 1.3.2(a) of the Lease.

(b) Lessee agrees that in the event Lessor shall not be entitled to use the benefits of the Investment Tax Credit of the Internal Revenue Code of 1954 for "new section 38 property", with respect to all of the Units, the rental each month for each Unit as to which Lessor shall not be entitled to use such benefits shall be increased, as provided in subsection 1.3.2(b) of the Lease, and, in addition, Lessee shall pay to Lessor interest on the addition rental as provided in subsection 1.3.2(b) of the Lease.

AMERICAN FLETCHER LEASING CORPORATION
(Lessor)

By

 V.P.

GREEN BAY AND WESTERN RAILROAD COMPANY
(Lessee)

By

 Vice Pres

Exhibit A to Supplement No. 1
to Equipment Lease Agreement dated as of April 24, 1974
between American Fletcher Leasing Corporation (Lessor)
and Green Bay and Western Railroad Company (Lessee)

<u>QUANTITY</u>	<u>UNIT DESCRIPTION</u> (including Serial No. if applicable)	<u>SUPPLIER</u>	<u>ORIGINAL COST</u> (for each Unit)
10	GBW 4200 52,900#	Chicago Freight Car Co.	\$12,825
Class "XM"	GBW 4201 53,400		
50' Boxcars	GBW 4202 53,100		
	GBW 4203 53,700		
	GBW 4204 52,900		
	GBW 4205 53,900		
	GBW 4206 52,800		
	GBW 4207 53,000		
	GBW 4208 53,600		
	GBW 4209 53,300		

The aggregate original cost of the Units described in this
Exhibit A. is \$ 128,250.00.

Initials *or*
Date *7/25/74*
C. J. B.